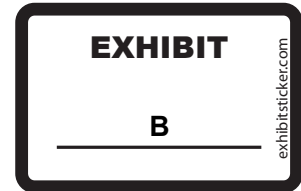


Sebastian Campos

From: Eric Utermohlen
Sent: Tuesday, March 16, 2021 4:51 PM
To: Hampton, Charles B.
Subject: Shinsho v. HQA



Hi Charles,

I've been trying to reach you to follow-up on various calls we had last Friday but I've not heard from you.

As you'll recall, you called me on Friday to express Shinsho's concerns regarding shipments of steel that Shinsho believed were part of the Subject Steel claimed in the lawsuit but that Shinsho had not received paperwork for. You mentioned that Shinsho would be filing something with the Court that Friday afternoon if they did not receive calcification regarding those issues from HQA. After speaking with my client, I learned that the situation was a bit more complicated than I was aware and I shared those concerns with you.

As I mentioned, Shinsho has begun using the Agreed Temporary Injunction to unfairly compete with HQA. Shinsho is apparently engaging in a steel-dumping campaign to undercut HQA's sales. In short, Shinsho is selling the exact same size and grade of steel that HQA sells but is doing so at a lower price. As you know, Shinsho has to approve the price that HQA can sell the steel for and is using that information to sell its own steel at below the prices that HQA is allowed to sell under the terms of the Agreed TI. Not only that, but Shinsho is selling to HQA's customers, which it knows of because HQA has had to provide it paperwork regarding its sale of Subject Steel to those customers. HQA has argued since day one that Shinsho's ultimate goal was to take out HQA as a competitor and take all of its clients and that it was using the Court system to achieve that goal. Given what I'm hearing from my client, it unfortunately appears to be the case. Moreover, Shinsho has apparently retained Lowell "Tommy" Thomas (who is a contractor of Southwest Alloys) to sell the steel in direct competition to HQA. As I also mentioned in an email, Tommy Thomas is a former employee of HQA and there is bad blood between the two. Specifically, and this I did not mention before, Tommy Thomas threatened the life of Jason and his wife as well as other staff at the warehouse. HQA had to spend money buffing up security measures and hiring security guards as Tommy Thomas began sitting outside the warehouse in his vehicle after he was terminated. On top of that, HQA is also hearing that Tommy Thomas is disparaging HQA's business by spreading rumors to HQA's customers that HQA is selling steel bars that don't belong to HQA. Presumably, this is part of his sales pitch to sell Shinsho's steel in direct competition with HQA. We will simply have to add him to the lawsuit to prevent such conduct.

In the spirit of cooperation, you stated you would go back to Shinsho to inquire about HQA's concerns and I would do the same with HQA regarding Shinsho's concerns. Sometime before noon on Friday I represented to you that I could get you by Friday March 19, 2021 a list of steel shipments that went out of HQA from March 1 through the 19th subject to the Agreed TI. If there was any Subject Bar sold that was inadvertently unaccounted for, we would provide the shipping and financial documents related to those shipments as well as any accounting for it (i.e. whether HQA had wired Shinsho their corresponding 85% share of the payment, per the Agreed TI). Although you believed Shinsho would be OK with that timeframe, you needed to confirm with them on a scheduled call later the afternoon of Friday, March 12th. You also mentioned that Shinsho claimed there were other shipments they were concerned about from January and February of this year and that you might be able to get us that list so we can inquire as to those specific dates. To date I have not received any such list.

While HQA is currently working on that list and we still intend to provide that information by Friday March 19, I have not heard back from you since Friday morning. I called late Friday afternoon and got your voicemail. I emailed Saturday afternoon and have not received a response. I called again yesterday Monday 15 and left a voicemail and called again today to no avail.

It has also come to HQA's attention that Shinsho staff outside the warehouse are posing as "security guards" and are detaining trucks that are shipping out steel so Shinsho can photograph them. While we cannot stop Shinsho from taking pictures of the trucks, posing as our security guards and stopping trucks is highly improper and must cease immediately.

Until recently, we have been able to communicate and effectively work together through our clients' concerns, but your silence leads me to believe that Shinsho will continue with its campaign of unfair competition and disparagement of HQA's business. I really hope that's not the case as it would force us to seek a dissolution of the Agreed TI and go back to square one. If I am misinterpreting your silence and you are just swamped with work, then I sincerely apologize for the lengthy email and look forward to continuing to work together to resolve these issues.

I hope you are doing well and please reach out if you would like to chat,

Eric

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